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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/893,034	06/27/2001	Alexander Klibaner	A0754/7001	3400
23628	7590	07/05/2005	EXAMINER	
WOLF GREENFIELD & SACKS, PC FEDERAL RESERVE PLAZA 600 ATLANTIC AVENUE BOSTON, MA 02210-2211				MOONEYHAM, JANICE A
ART UNIT		PAPER NUMBER		
				3629

DATE MAILED: 07/05/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	09/893,034	KLIBANER, ALEXANDER
	Examiner Janice A. Mooneyham	Art Unit 3629

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 27 June 2001.  
 2a) This action is FINAL.                    2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-19 is/are pending in the application.  
 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) Claim(s) \_\_\_\_\_ is/are allowed.  
 6) Claim(s) 1-19 is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|  | 6) <input type="checkbox"/> Other: _____                                    |

## DETAILED ACTION

1. This is in response to the applicant's communication filed on June 27, 2001, wherein claims 1-19 are pending.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-12 and 18-19 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-12 and 18-19 only recite an abstract idea. The recited steps of merely obtaining an agreement, receiving preferences, determining if the preferences are consistent, and prompting for an amended preference if they are not consistent do not apply, involve, use, or advance the technological arts since all of

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the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to establish an agreement. There is no technology in the body of the claims.

As for communications network claimed in claims 3 and 4, reading this broadly, this can be a group of people communicating together, or a group of people communicating over a telephone.

Also, mere intended or trivial use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

In the present case, in claim 3, the applicant has stated that only steps (a), (b), and (d) are performed via a communication network. If the communication network is a computer, it appears that the determination as to whether the preferences are consistent is performed outside of the computer, maybe by a human. Therefore the use of the computer would be considered trivial. There is no manipulation of data being performed by the computer.

#### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claims 1, 14 and 16-17 are rejected under 35 U.S.C. 102(e) as being anticipated by Collins et al (US 2002/0007362) (hereinafter referred to as Collins).

Referring to Claims 1, 14 and 16-17:

Collins discloses a method and program [0006] for interactively establishing a dispute resolution procedure (*facilitating an agreement over a network [0037]*; *agreement pertains to a “situation” which can be a dispute*), comprising the steps of:

- (a) obtaining agreement of two or more parties to resolve a dispute (*Figure 3 (320) and (360) and Figure 7B*);
- (b) receiving preferences from each of the two or more parties for procedures to be followed in resolving the dispute (*Figure 3 (330) and (370)*);
- (c) determining whether the preferences of the two or more parties for the procedures are consistent (*Figure 5a (530) 1<sup>st</sup> party offers ideal resolution with legitimization and initial ZOPA (zone of possible agreement) component (540) Agreement on Solution; Figure 12e (1240) Agree on Resolution*); and
- (d) if the preferences of the two or more parties for one of the procedures are not consistent, prompting one or more of the parties for amended preferences (*Figure 12e (1250) obtain first party’s modified resolution and (1270) obtain second party’s modified resolution*).

Referring to Claim 2:

Collins discloses resolving the dispute in accordance with the procedures upon which the preferences of the two or more parties are consistent (*Figure 12 e (1230,*

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*1240, 1250, 1260) and [0004] the method may be further refined by producing an agreement based upon resolutions agreed by each of the parties; [0010] position data is received over the network, the position data being representative of a position with respect to one or more issues pertinent to a situation [0058] and Figure 12a, the second party's proposed resolution set and the first party's proposed modified resolution set are compared in Step 1240. If the two parties have agreed on a resolution set, the method proceeds to Step 1300. Otherwise the second party supplies a modified resolution set in Step 1250).*

Referring to Claim 3:

Collins discloses steps (a), (b) and (d) are performed via a communications network ([0037-0038] and Figures 14a and 14b).

Referring to Claim 4:

Collins discloses step (d) further comprises via the network, receiving the amended preferences of the two parties and determining whether the amended preferences are consistent (12a (1230, 1240, 1250)).

Referring to Claim 5:

Collins discloses an agreement to utilize a procedure or a refusal to utilize the procedure (*Figure 7b, [0047] Figure 3 (320) (360) the first party may choose whether or not to participate in a negotiation session. If the first party does not agree to the terms of use, the process ends.*)

Referring to Claim 13:

Collins discloses a system, comprising:

at least one host computer for hosting a website coupled to the host computer, the website being accessible to two or more parties (110), the website comprising an input mechanism adapted to receive input from the two or more parties regarding preferences of the two or more parties for one or more procedures to be followed in arbitrating the dispute wherein, via the website the two or more parties may negotiate and agree upon a set of rules for resolving the dispute (*Figure 14a and 14b and [0037 – 0038] and [0004]* the method may be refined by producing an agreement based upon resolutions agreed to by each of the parties).

Referring to Claim 15:

Collins discloses the step of notifying a neutral to resolve the dispute in accordance with the preferences of the two or more parties (Figure 8a and 8b).

Referring to Claim 18:

Collins discloses generating a contractual agreement embodying the preferences of the two or more parties for procedures to be used to resolve the dispute (Figure 13 (1330) *Creation of binding agreement*).

Referring to Claim 19:

Collins discloses a method of interactively establishing a dispute resolution procedure, comprising the steps of:

receiving preferences from two or more parties for procedures to be followed in resolving the dispute (*Figure 3 (330) and (370)*);

determining whether the preferences of the two or more parties for the procedures are consistent (*Figure 5a (530) 1<sup>st</sup> party offers ideal resolution with*

*legitimization and initial ZOPA component (540) Agreement on Solution; 12e (1240)*

*Agree on Resolution); and*

if the preferences of the two or more parties for one of the procedures are not consistent, prompting one or more of the two or more parties for amended preferences (*Figure 12e (1250) obtain first party's modified resolution and (1270) obtain second party's modified resolution*).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 6-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Collins as applied to claim 1 above, and further in view of Horn et al (US 2001/0037204) (hereinafter referred to as Horn).

Referring to Claim 6:

Collins discloses the method of claim 1. Collins does not disclose an expression of a maximum willingness to pay.

However, Horn discloses an expression of a maximum willingness to pay (*[0024] maximum payment offered by the respondent; abstract and [0091] parties are invited to submit settlement offers in ranges including minimum and maximum dollar amounts for which they are willing to settle the case*).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the minimum and maximum settlement amounts as taught by Horn with the dispute resolution system of Collins so as to provide a more efficient method which reduces the overhead costs associated with settling a claim and encourages the settlement of disputes by motivating parties to submit reasonable, good faith offers or demands, thus avoiding the techniques that delay the process.

Referring to Claim 7:

Horn further discloses an expression of a maximum willingness to pay is expressed as a maximum percentage. (*[0125] the respondents log on to the system and select a percentage of liability from a menu of ranges. The range selected represents the minimum and maximum percentages of liability that the respondent is willing to accept*).

Referring to Claim 8:

Collins discloses an agreement to utilize the procedure (*Figure 3 (320) and (360) and Figure 7A*)

Collins does not disclose a sum of maximum percentage of the total cost of adhering to the procedure which each of the two or more parties are willing to pay is greater than or equal to 100%

However, Horn discloses a sum of maximum percentage of the total cost of adhering to the procedure which each of the two or more parties are willing to pay is greater than or equal to 100% (*[0125] if the selected ranges can account for a total 100% liability then the respondents have reached an agreement*).

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It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the minimum and maximum settlement amounts as taught by Horn with the dispute resolution system of Collins so as to provide a more efficient method which reduces the overhead costs associated with settling a claim and encourages the settlement of disputes by motivating parties to submit reasonable, good faith offers or demands, thus avoiding the techniques that delay the process.

Referring to Claim 9:

Horn discloses the preferences of the two or more parties for the procedure are inconsistent if at least one of the preferences comprises refusal to utilize the procedure (*Figure 38 Filing Aborted – you did not agree with the terms of ResolveItNow.com*) or a sum or the two or more parties are willing to pay is less than 100% (*[0126] if the selected percentages do not account for 100% liability between the respondents then the system provides the respondents with the option to proceed through continued rounds of negotiation until an agreed settlement percentage is reached*).

Referring to Claims 10-12:

Neither Collins nor Horn teach or disclose a benchmark percentage equaling 100% divided by the number of parties to the dispute; a below-benchmark party as a party willing to pay a maximum percentage of the total cost of adhering to the procedure which is less than the benchmark percentage; and an above benchmark party as a party willing to pay a maximum percentage of the total cost of adhering to the procedure which is equal to or greater than the benchmark percentage; wherein if the preferences of the two or more parties for the procedure are consistent, and all of the parties are

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above-bench parties, each of the two or more parties pays the benchmark percentage of the total cost of adhering to the procedure or if the preferences of the two or more parties for the procedure are consistent, and one or more of the two or more of the two or more parties are below benchmark parties, the party with a lowest maximum willingness to pay, pays the maximum percentage of the total cost of adhering to the procedure which it is willing to pay.

As for the percentages, it would be obvious to one of ordinary skill in the art to divide 100% by the number of parties if the parties agree that each are equally responsible for the payment. However, as disclosed in Horn, the respondents select a percentage based on the liability of each of the parties. The range selected represents the minimum and maximum percentages of liability that the respond is willing to accept with regard to damages suffered by the claimant. The respondents reach an agreement on the issue of proportional liability [0125]. Furthermore, Horn discloses a server system that is configured to evaluate the offers submitted and calculate a settlement amount that is agreeable to all parties [0069]. Horn further discloses a multiparty dispute wherein claimant A is seeking compensation from respondents B and C. If respondent B selects the range of 25% and 35% and respondent C selects the range of 65% to 75% then the system determines that respondents B and C can account for 100% liability. If the selected percentages do not account for 100% liability between the respondents, the system provides respondents with the option to proceed through continued rounds until an agreement is reached [0125, 126]. Horn also discloses that once a settlement amount is calculated by the system each respondent pays his

predetermined percentage of the amount to the claimant. Horn further states that other methods may be possible and that respondents are provided with system tools to negotiate and agree on their proportionate degree of liability and that when the total percentage of liability for all respondents equals 100%, the system proceeds to provide parties with the tools to negotiate on a settlement amount [0127].

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine a method which determines the proportionate degree of liability for payments and how to resolve it when the parties' settlement amount is below the percentage amount they should be paying or over the percentage amount they should be paying so that a settlement can be reached when you have multiple parties with varying degrees of liability and varying settlement offers.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Janice A. Mooneyham whose telephone number is (571) 272-6805. The examiner can normally be reached on Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jan Mooneyham  
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Art Unit 3629